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FINANCING OF THE UNITED NATIONS ANGOLA VERIFICATION MISSION

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on the financing of the United Nations Angola Verification Mission (UNAVEM III) contained in documents A/49/433/Add.1 of 6 June 1995, A/50/651/Add.1 of 6 November 1995 and A/50/651/Add.2 of 10 November 1995. The Advisory Committee has also considered the performance report for UNAVEM II contained in document A/50/651 of 18 October 1995. During its consideration of the reports, representatives of the Secretary-General provided additional information to the Advisory Committee.

Cost estimates for the period from 9 February to 31 December 1995

2. In the course of its review of the requirements for UNAVEM III for the above period, the Advisory Committee had before it the reports of the Secretary-General contained in the following documents: A/49/433/Add.1 of 6 June 1995, containing the cost estimates for UNAVEM III for the period from 9 February to 31 December 1995; and A/50/651/Add.1 of 6 November 1995, containing the revised cost estimates for the Mission for the same period.

3. As indicated in the summary of the report contained in document A/50/651/Add.1, the revised cost estimates, which amount to \$268,072,500 gross, take into account the updated information on phased deployment of 7,000 contingent personnel, 350 military observers, 260 civilian police observers, 714 civilian support staff and 75 United Nations Volunteers (UNVs). The actions to be taken by the General Assembly, as proposed by the Secretary-General in paragraph 21 of that report, include the appropriation of \$268,072,500 gross for the period from 9 February to 31 December 1995, inclusive of \$215,912,903 gross already provided in accordance with paragraphs 5 and 8 of General Assembly



resolution 49/227 B of 20 July 1995, and an additional assessment of \$52,159,597 gross for the same period.

4. The Advisory Committee notes from paragraph 1 of the introduction to the same report of the Secretary-General (A/50/651/Add.1) that the mandate of UNAVEM III, which was established by Security Council resolution 976 (1995) of 8 February 1995 for an initial six-month period, was extended by Security Council resolution 1008 (1995) for a further period of six months, until 8 February 1996.

5. The total contributions received as at 30 September 1995 amount to \$298,575,464, compared with the total assessments of \$417,323,123 among Member States for UNAVEM, UNAVEM II and UNAVEM III, resulting in a shortfall of \$107,179,101. In view of the shortfall, the Advisory Committee reiterates its prior recommendations regarding the non-payment or late payment of contributions to peace-keeping operations (A/47/990, para. 41).

6. Information on voluntary contributions and trust funds is contained in paragraphs 6 to 8 of the report contained in document A/50/651/Add.1. In the view of the Advisory Committee, this information is very limited and does not contribute to a comprehensive understanding of the role of voluntary contributions in the implementation of various activities of UNAVEM III. For example, no clear information is provided on voluntary contributions for humanitarian assistance. Furthermore, while the submission indicates that a trust fund for demining activities has been established on the basis of a voluntary contribution of 500,000 Swiss francs from the Government of Switzerland, no information is provided on demining activities to be funded from the Trust Fund. The Advisory Committee reiterates, therefore, its previous recommendation that "the Secretary-General should develop an improved presentation of voluntary contributions and a description and cost estimates of activities financed from voluntary contributions and other sources" (A/49/664, para. 46).

7. As can be seen from annex IA to the report in document A/50/651/Add.1, the total revised cost estimates of \$268 million gross reflect a decrease of \$37.1 million, compared with the total original estimates of \$305.1 million gross indicated in document A/49/433/Add.1. The decrease reflects primarily the delay in the deployment of military and civilian personnel, the impact of the transfer of equipment from other peace-keeping operations and from the Brindisi logistics base and the receipt of voluntary contributions in-kind, as stated in paragraph 13 of the report in document A/50/651/Add.1.

8. The Advisory Committee recalls that the Secretary-General, in paragraph 52 of his report to the Security Council (S/1995/97) stated the following:

"On 19 December 1994, the Government of Angola made public a document entitled 'Cost of the implementation of the Lusaka Protocol' (S/1994/1451), which indicates its plans to contribute nearly US\$ 500 million to various programmes associated with the peace process. In particular, the document indicates that the Angolan authorities would be ready to provide to UNAVEM a residential compound, aircraft and vehicle parking facilities, harbour space for vessels, warehouses and office space in ports and airports and

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fuel at rates below the international price. Exemption from custom formalities and availability of land for the Mission were also pledged."

Information on the status-of-forces agreement between the Government of Angola and the United Nations is contained in paragraphs 17 and 18 of the report contained in document A/50/651/Add.1. The Advisory Committee points out that, while the previous report on the financing of UNAVEM III (A/49/433/Add.1) provided hardly any information regarding the Government's contributions under the status-of-forces agreement, the report contained in document A/50/651/Add.1 is a positive development in this area. At the same time the Advisory Committee believes that the report should have included information on the estimated value of the Government's contributions to the mission under the status-of-forces agreement, the use of the airport facilities in Angola, purchase of goods and services on the local market, use of the government radio and television facilities, etc. On request, the Advisory Committee was informed that the value of the Government's in-kind contribution to UNAVEM III is estimated at \$7.4 million. Annex I below contains the list of such in-kind contributions.

9. The revised cost estimates include a provision of \$92.7 million for 7,350 military personnel (7,000 contingent personnel and 350 military observers), which reflects a decrease of \$4.6 million compared with the original cost estimates. The decrease is attributable mainly to reduced requirements for standard troop cost reimbursement (\$6.8 million) resulting from the revised schedule of deployment of military personnel, as reflected in annex IV to the report contained in document A/50/651/Add.1. Upon inquiry, the Advisory Committee was informed that there are currently no significant deviations from the planned deployment of military personnel and that, as at 31 October 1995, the strength of United Nations formed units had reached 5,667 all ranks.

10. The Advisory Committee also notes from annex I to the report contained in document A/50/651/Add.1 that the provision for military personnel costs reflects significant growth (\$3.2 million) in revised requirements for rations, amounting to \$14.2 million. The revised requirements reflect an increase in unit costs of daily rations from \$7.50 to \$9.04 for the period from 1 May to 30 September 1995 and to \$10.10 thereafter. The increased rates take into account mobilization, transportation and warehousing costs involved in the provision of rations.

11. The Advisory Committee inquired into arrangements for the purchase of rations and stressed the importance of taking full advantage of procurement of rations from local/regional area sources. In this connection, the Advisory Committee recalls its recommendation that, whenever cost-effective and technically feasible, every effort should be made by the Secretariat, in accordance with established procurement procedures, to acquire services, resources and materials from local area sources (see A/47/985, para. 24). Increased procurement from local area sources should, in the view of the Committee, help to bring down the costs of rations. The Advisory Committee recommends, therefore, that the provision for rations be approved at the level of \$13.0 million.

12. The Advisory Committee notes that a provision of \$21.6 million is made for reimbursement to troop-contributing Governments of the cost of contingent-owned equipment, the value of which is estimated at \$216.4 million. The Committee was

informed, upon inquiry, that the value was estimated by the contingents themselves and that the Mission had yet to conduct an "in-survey" assessment. The Advisory Committee points out, in this connection, that experience has shown that it is realistic to expect that the estimated value of contingent-owned equipment will eventually be reduced. Therefore, pending the outcome of "in-survey", the Advisory Committee recommends approval of the related requirements in the amount of \$20.5 million.

13. The Advisory Committee notes from paragraph 36 of the report contained in document A/50/651/Add.1 that the number and distribution by category of international and local staff remained unchanged, compared with the original proposal. The Committee points out, however, that this number reflects, as indicated in paragraph 34 of the report contained in document A/49/433/Add.1, a net increase of 277 international civilian staff and 251 local staff compared with UNAVEM II. The proposed distribution of posts by grade, office and geographical location is reflected in annexes V and VI to the latter report. The proposed staffing table provides, *inter alia*, for 134 posts (including 50 UNVs) in the Unit for the Coordination of Humanitarian Assistance, 12 posts in the Electoral Division and 472 posts (including 25 UNVs) in the Division of Administration and Management.

14. With regard to the staffing structure of the Unit for the Coordination of Humanitarian Assistance, the Advisory Committee points out that the Unit is implementing activities that are funded to a large extent from voluntary contributions. On request, the Committee was informed that the total funding required for 1995 through voluntary contributions amounted to \$107.7 million for the demobilization and reintegration programme, \$182.0 million for the humanitarian assistance programme and \$12.4 million for the mine action programme. The comparable revised cost estimates included in the budget financed from assessed contributions are \$30.6 million for assistance for disarmament and demobilization and \$17.7 million for mine-clearing programmes. The Advisory Committee is not aware of any posts funded from voluntary contributions in connection with demobilization and reintegration activities, humanitarian activities, or demining activities. The Advisory Committee points out that, while all 134 posts of the Unit for Coordination of Humanitarian Assistance are proposed to be funded from the assessed budget of UNAVEM III, coordination of humanitarian assistance within, for example, the United Nations Mission in Haiti, the United Nations Assistance Mission for Rwanda and the United Nations Operation in Mozambique is undertaken by staff funded partially or entirely from voluntary contributions. In view of this inconsistency, the Advisory Committee requests that the Secretary-General re-examine the situation in the course of preparation of the next budget submission for UNAVEM III, with a view to financing some of the posts of the Unit from voluntary contributions.

15. The Advisory Committee notes that resources have been proposed for the preparation of the second round of presidential elections and for the verification and monitoring of the entire electoral process, in accordance with the political mandate outlined in paragraph 5 (i) of the report of the Secretary-General (A/49/433/Add.1). The Committee points out, however, that the report of the Secretary-General does not contain any explanation of the preparatory activities, nor does it refer to the anticipated dates of the elections. The Committee questions, in fact, whether any election-related

activities by United Nations staff have even taken place in this budget period. In any case, the description of the functions and responsibilities of staff of the Electoral Division (see A/49/433/Add.1, annex VIII, paras. 43 and 44) is unsubstantiated and too general. In his next report, the Secretary-General should provide the latest information on the pace and scheduling of election activities and the related participation of the United Nations; in this context, he should explain and justify the structure, functions and numbers of staff for the Electoral Division.

16. The proposed staffing structure of the Division of Administration and Management includes 472 posts, as indicated in annex VI to document A/49/433/Add.1. The Advisory Committee was informed by the Chief Administrative Officer of the Mission that, although the proposed staffing table for the Division does not contain any new posts, UNAVEM III experiences difficulties in the area of finance management, logistics and engineering support. Considering the overall number of 472 posts for administration, the Advisory Committee is not convinced that the difficulties result from the lack of posts; the Committee believes that they are due mainly to delays in recruitment. The Committee was informed that, owing to delays in the deployment of international staff to the Mission area, the vacancy rate in the category of Professional staff had been 43 per cent as of the end of October 1995. The Committee expects that, before any requests for additional posts are contemplated, existing vacant posts should be filled and deficiencies in the organizational structure of the Division should be addressed.

17. With regard to the organizational structure of the Division of Administration and Management, the Committee questions the rationale for keeping 30 staff of the Office of the Chief Administrative Officer at six regional offices of the Mission, while main administrative functions there are performed by 6 staff from the Finance Section, 6 from the Procurement Section, 30 from the Transport Section, 48 from the Communications Section and 18 from the Building Management Section. The Advisory Committee also points out that the budget submission should have provided a description of functions performed by these 30 staff of the Office of the Chief Administrative Officer. The Advisory Committee recommends that the Secretary-General review the structure of the Division of Administration and Management so that the most efficient structure could be achieved.

18. The Advisory Committee notes from annex V to the report contained in document A/48/433/Add.1 that 36 posts (25 international and 11 local) are proposed for the Public Information Section. The Advisory Committee understands that these staff requirements are proposed on the assumption that UNAVEM would operate its own radio station. However, as indicated in paragraph 138 of annex II to the report contained in document A/50/651/Add.1, "at the time the present report was prepared, the UNAVEM radio station had not yet been established owing to ongoing discussions with the Government of Angola on the modalities for the operation of the radio station". Should this situation continue and if no progress in the establishment of the radio station is achieved at the time of the preparation of the next budget submission for UNAVEM III, the Advisory Committee recommends that that submission reflect the results of a review of the staff requirements for the Public Information Section.

19. The Advisory Committee also notes from paragraph 158 of annex II to the report of the Secretary-General (A/49/433/Add.1) that a provision of \$1.1 million is made for the purchase of equipment necessary for the establishment of the UNAVEM radio station. The Advisory Committee understands that this provision is made contingent on authorization to be received for the Government of Angola and that the Mission is still in the process of obtaining such an authorization. The Committee was provided, on request, with preliminary status of expenditures for the period 9 February to 30 September 1995, which show that the total expenditure under public information programmes amounts to \$156,247.

20. The Committee recommends that the Mission explore the possibility of transferring radio station equipment from United Nations stockpiles or from other peace-keeping operations; the resulting savings should be reflected in the next performance report on UNAVEM III.

21. The Committee notes that the provisions for the salaries and common staff costs of international staff are based on New York standard costs except for international staff on assignment from other United Nations organizations and staff appointed for the Mission. The estimate for the local staff is based on the local salary scale established for Luanda. In addition, effective 1 March to 30 November 1995, a hazardous duty station allowance of \$902 per person per month is budgeted for international civilian staff assigned outside Luanda, while an equivalent of 20 per cent of their salaries is budgeted for this purpose for locally recruited staff. The Committee trusts that any payment relating to the hazardous duty station allowance is made in accordance with the relevant rules and regulations of the United Nations.

22. As can be seen from annex I to the report contained in document A/50/651/Add.1, the proposed revised requirements under premises (\$16.5 million) reflect a net increase of \$2.9 million, resulting mainly from increased requirements under rental of premises (\$2.1 million), alteration and renovation of premises (\$1.0 million) and construction of prefabricated buildings (\$1.5 million). These increased requirements were somewhat offset by a decrease of \$1.6 million under utilities. The Committee notes from paragraph 53 of annex II to the same report that "additional requirements for the rental of houses and hotel rooms have been necessitated by the delay in the receipt of prefabricated buildings from other peace-keeping missions". The Advisory Committee points out that requirements for premises relate mainly to civilian personnel, since, as the Committee was informed, military contingents arriving in the Mission area are largely self-sufficient. The Advisory Committee understands that no adjustments in requirements for premises have been made to account for delays in the deployment of civilian personnel to UNAVEM, referred to in paragraph 16 above. Furthermore, the Advisory Committee believes that the types of accommodation chosen should take into account the anticipated short-term duration of the Mission. The Committee was informed, upon request, that the proposed provision of \$3 million for 500 dormitories for contingent personnel reflected in paragraph 57 (b) of annex II to the report of the Secretary-General (A/49/433/Add.1) would no longer be required. The Advisory Committee recommends that proposed provision of \$16,504,800 for premises should, therefore, be reduced by \$3 million.

23. The Advisory Committee notes from paragraphs 71 and 76 of annex II to the report of the Secretary-General (A/50/651/Add.1) that the cost estimates for fuel for vehicles and aircraft owned and/or operated by the United Nations are based on prices of fuel provided by the Government, i.e. \$0.907 for diesel, \$1.134 for petrol and \$0.76 for aviation fuel, per gallon. In this connection, the Committee recalls that the Secretary-General, in paragraph 53 of his report to the Security Council, stated that "it will be extremely important for the Government to provide to the United Nations certain key services and supplies, including fuel, at the lowest possible cost". The Committee requests, therefore, that the Secretary-General indicate in his next budget submission for UNAVEM III to what extent the above rates meet the criteria of the lowest possible cost.

24. The requirements for air operations have been revised from \$28,773,400 to \$24,260,500. The explanation of the revised requirements is contained in paragraphs 73 to 92 of annex II to the report of the Secretary-General (A/50/651/Add.1); as stated in paragraph 81 therein, "while costs for base hire, additional hours and fuel usage and other related costs have increased, these were compensated by the omission of three high-tech Beechcraft surveillance aircraft and the Skyvan aircraft". In this connection, the Advisory Committee reiterates its recommendation in paragraph 9 of document A/50/802 on the need to restrict the use of aircraft to essential operational needs. The Advisory Committee was provided, upon request, with a statement on the policy on the commercial lease/charter of aircraft for peace-keeping operations which is contained in annex II below.

25. The Advisory Committee was informed, upon inquiry, that the revised requirements for contractual services of \$8.3 million, which reflects a decrease of \$11.7 million compared with the original estimates of \$20.0 million, are based on the actual terms of the contract signed in July 1995 between the United Nations and the logistic support services contractor. Included in the total amount of \$8.3 million is \$1.3 million for security services. The Advisory Committee notes from paragraph 135 of annex II to the report of the Secretary-General (A/49/433/Add.1) that this provision (\$1.3 million) is made for the salaries of 236 locally recruited security personnel at a salary rate of \$705 per person per month. At the same time, salaries of other categories of locally recruited personnel are \$250 per person per month for demining instructors and supervisors and \$600 per person per month for medical orderlies and interpreters/translators, as reflected in paragraph 170 of that same annex. The Advisory Committee inquired, but was not provided with a satisfactory explanation as to the reasons for the wide range (\$250-\$705) in salary rates for locally recruited contractual personnel. In the opinion of the Advisory Committee, the salary rate of \$705 for locally recruited security personnel is excessive; in view of the fact that the budget period is nearly over, the Advisory Committee is not in a position to recommend a reduction in the provision for security services. However, the Committee requests that an explanation of the salary rates for locally recruited contractual personnel be provided in the next budget submission for UNAVEM III.

26. The requirements for the mine-clearing programmes have been revised from \$17.1 to \$17.7 million. These requirements should have been explained and justified in detail and not merely stated. Some requirements have been, in the

view of the Advisory Committee, considerably overstated. The Advisory Committee was informed, upon inquiry, that the proposed provisions for wages and food supplement, miscellaneous services and miscellaneous supplies should be reduced by \$600,100, \$990,000 and \$630,000 accordingly. The Advisory Committee recommends that the proposed provision of \$17,678,000 for the mine-clearing programme should, therefore, be reduced by \$2,220,100.

27. The Advisory Committee points out that the reports of the Secretary-General (A/49/433/Add.1 and A/50/651/Add.1) should have provided information on the totality of voluntary contributions to demining and other humanitarian programmes, including assistance from the Government of Angola and the part to be played by specialized agencies of the United Nations, as requested in paragraph 12 of its report contained in document A/49/927.

28. The Advisory Committee was informed, upon request, that an amount of \$1.5 million had been pledged/contributed as of 20 October 1995 in response to the joint appeal for mine-clearing activities. The target of the appeal was \$12.4 million.

29. The Committee notes that the contributions to the demining programme from the assessed budget of the Mission considerably exceed contributions from voluntary funds and the Government of Angola. In this connection, the Advisory Committee recalls its statement in paragraph 13 of its report on the administrative and budgetary aspects of the financing of the United Nations peace-keeping operations (A/49/664) that:

"The Committee notes that humanitarian assistance should, in principle, be funded from voluntary contributions; only in those instances where voluntary contributions to meet the cost of humanitarian activities are indispensable for the implementation of a peace-keeping operation (short-term) and fail to materialize could some of those costs be included in the budget of the peace-keeping operation; in this connection the Committee points out that since humanitarian activities such as demobilization usually come in the later stages of a peace-keeping operation there would be time to await the results of an appeal."

In view of the above, the Advisory Committee recommends that the Secretary-General continue vigorously his efforts to attract voluntary contributions for the demining programme, as well as contributions from the Government of Angola.

30. With regard to the proposed revised requirements of \$30.6 million for assistance for disarmament and demobilization, the Advisory Committee was informed that these requirements will be supplemented by additional resources as part of the response to an inter-agency appeal for humanitarian assistance to Angola. The Advisory Committee was also informed that the target of the joint appeal for the demobilization and reintegration programme was \$107.7 million and that an amount of \$27.9 million had been pledged/contributed as at 20 October 1995. The Advisory Committee believes that information should have been provided on the programme of disarmament and demobilization, as a whole, and on its components funded from voluntary contributions, as well as on the role of the Government of Angola and of the specialized agencies of the United Nations in its implementation. The Committee notes from paragraph 176 of

annex II to document A/49/433/Add.1 that the programme of disarmament and demobilization will be conducted under the management of the Unit for Coordination of Humanitarian Assistance, the staffing of which provides for 134 posts to be funded from the assessed budget. The Advisory Committee points out that the Secretariat should have indicated what support, in terms of financing staff costs and other administrative costs, is provided from voluntary contributions to the programme of disarmament and demobilization.

31. The Committee notes from paragraph 158 of annex II to document A/50/651/Add.1 that, within the overall requirements of \$30.6 million for the programme of disarmament and demobilization, a total provision of \$18.7 million relates to the cost of rations for an estimated 60,000 soldiers over a period of 5 months (\$15.6 million) and a 30-day contingency stock of rations for 35,000 soldiers (at a cost of \$3.1 million). The Committee was informed that the provision for rations is, to a large extent, a contingency provision that may not be required fully under the assessed budget depending on the availability of voluntary contributions. Furthermore, the Committee notes from paragraph 18 of the report of the Secretary-General to the Security Council (S/1995/1012) that the quartering was finally launched on 20 November 1995 and that "this process is almost one year later than intended and is proceeding at a very slow pace". In view of the delays in the quartering process and taking into account the amount of voluntary contributions for disarmament and demobilization activities (\$27.9 million), the Committee recommends that the share of the assessed budget in financing the cost of rations be approved at the level of \$9 million.

32. In view of its comments and observations above and taking into account additional information provided by the Secretariat, the Committee recommends that an amount of \$250,764,400 gross be appropriated for the period from 9 February to 31 December 1995, inclusive of the amount of \$150 million gross for the period from 9 February to 8 August 1995 and \$65,912,903 gross for the period from 9 August to 31 December 1995, authorized and assessed in accordance with the terms of paragraphs 5 and 8 of General Assembly resolution 49/227 B of 20 July 1995.

Cost estimates for the period from
1 January to 30 June 1996

33. In the course of its review of the requirements for UNAVEM III for the above period, the Advisory Committee had before it the report of the Secretary-General contained in document A/50/651/Add.2 of 10 November 1995, which was submitted in conformity with the budget cycle established by the General Assembly in its resolution 49/233 A of 23 December 1994.

34. The cost estimates for the maintenance of UNAVEM III during the period from 1 January to 30 June 1996 amount to \$171.9 million gross and provide for 7,000 contingent personnel, 350 military observers, 260 civilian police observers, 365 international staff, 349 locally recruited staff and 75 UNVs. The Advisory Committee points out that the number of military and civilian personnel has not changed from what was reflected in document A/50/651/Add.1 and that the cost estimates are based on the assumption of full deployment of military and

civilian personnel during the period under consideration, i.e. from 1 January to 30 June 1996.

35. In the course of its consideration of the cost estimates for the period from 9 February to 31 December 1995, the Advisory Committee was informed of delays in the deployment of civilian personnel and UNVs to the mission area. For example, the vacancy rate as at 31 October 1995 was 43 per cent with regard to Professional staff, 25 per cent with regard to local staff and 68 per cent for UNVs. In the light of this information, the Advisory Committee is not convinced that the assumption of full deployment of all categories of civilian personnel as of 1 January 1996 is realistic. In the view of the Committee, an average vacancy rate of 5 per cent would be a more realistic assumption for the deployment of civilian personnel. Therefore, the Committee recommends that the proposed requirements for civilian personnel costs of \$27.2 million for the period from 1 January to 30 June 1996 be reduced by \$1.4 million, i.e. by 5 per cent.

36. The Committee notes from paragraph 1 of annex II to document A/50/651/Add.2 that the cost estimates for the period from 1 January to 30 June 1996 are based, where applicable, on the cost parameters as set out in document A/50/651/Add.1 and that, with regard to humanitarian activities, the cost estimates were calculated on the assumption that the requirements for the mine-clearing programme and the five-month demobilization programme would have been met in the previous budgetary period. The Advisory Committee was informed, however, that owing to the delay in the establishment of the demining school, the cost estimate of \$430,200 for wages and food supplement for the period from 1 January to 30 June 1996 should be revised to \$924,600. The Committee points out that the related reduction in requirements for wages and food supplement for the period from 9 February to 31 December 1995 amounts to \$600,100 (see para. 26 above).

37. The Advisory Committee is of the view that its recommendations on rations and contingent-owned equipment concerning the budget period ending on 31 December 1995 would also have an impact on requirements proposed for the period from 1 January to 30 June 1996. Therefore, the Advisory Committee recommends that a pro rata reduction be applied to the proposed requirements for the period from 1 January to 30 June 1996, which would result in reductions of \$1,037,900 for rations and \$496,500 for contingent-owned equipment. At the same time the Advisory Committee has no objection to the proposed revision in the estimated requirements for wages and food supplement from \$430,200 to \$924,600 for the demining programme for the period from 1 January to 30 June 1996.

38. In view of the above, the Committee recommends that an amount of \$169,376,000 gross be appropriated for the period from 1 January to 30 June 1996 and the amount of \$36,698,400 gross be assessed for the period from 1 January to 8 February 1996. In addition, the Committee recommends that, should the Security Council decide to extend the mandate of UNAVEM III beyond 8 February 1996, the General Assembly authorize the Secretary-General, with the prior concurrence of the Advisory Committee, to enter into commitments and to assess, for the period from 9 February to 30 June 1996, at a monthly rate not to exceed \$28,229,100 gross.

Financial performance for the combined period
from 1 October to 8 December 1994 and from
9 December 1994 to 8 February 1995

39. The Committee notes from paragraph 1 of the introduction to the performance report of the Secretary-General (A/50/651), that the report contains the last performance data for UNAVEM II, since the Mission was entrusted with a new mandate by Security Council resolution 976 (1995) of 8 February 1995, by which it established UNAVEM III. The reported unencumbered balance of \$537,900 gross (\$502,400 net) for UNAVEM II for the period from 1 October 1994 to 8 February 1995 resulted primarily from savings under personnel costs, equipment, supplies and services, which were partially offset by additional requirements for alterations and renovations of premises and accommodation, rental of two helicopters and an additional fixed-wing aircraft and UNAVEM's share of the cost of producing the "Blue Book" on peace-keeping operations as indicated in paragraphs 3 and 4 of the performance report. With regard to the expenditures relating to the production of the "Blue Book", the Advisory Committee reiterates its recommendation in paragraph 12 of document A/50/802; the Committee also points out that it intends to revert to the consideration of this issue in detail during the next session of the Committee.

40. The Advisory Committee was informed that some of the reported savings represent, in fact, a roll-over into a subsequent budget period, since the Mission could not procure some equipment within the limited time-frame of the budget period. In this connection, the Advisory Committee points out that the performance report should have contained adequate explanation of savings resulting from "insufficient lead-time to procure budgeted items".

41. Paragraph 7 of the performance report indicates that the action to be taken by the General Assembly at its fiftieth session with regard to the financial performance of UNAVEM II would be a decision to credit to Member States the unencumbered balance of \$537,900 gross for the period from 1 October 1994 to 8 February 1995 against their assessment in respect of any approved future mandate period of UNAVEM III. The Advisory Committee points out that such a procedure would be consistent with the financial regulations and past practice.

Annex I

CONTRIBUTION PROVIDED IN KIND BY THE GOVERNMENT OF ANGOLA
TO UNAVEM III

(In United States dollars)

<u>Location</u>	<u>Description of facilities provided by the Government</u>	<u>Estimated market value per annum</u>
Luanda: UNAVEM headquarters	(a) 20 three-bedroom house @ \$3,200 each per month	768 000
	(b) Land adjacent to 19 houses at Villa Espa	120 000
	(c) 3 Toyota cars @ \$20,000	60 000
	(d) Land being used by Portuguese Contingent	240 000
	(e) Vienna complex @ \$90,000 per month	540 000
	(f) Airport hangar (900 m ²) @ \$20,000 per month	240 000
Lobito	(a) 3 warehouses (6,500 m ²)	320 400
	(b) Hotel terminus	1 800 000
Uige: Northern region	(a) Office provided for regional headquarters	336 000
	(b) Land provided for warehousing	144 000
	(c) Greenfield sites provided for use of battalions	72 000
Saurimo: North-eastern region	(a) Office provided for regional headquarters	336 000
	(b) Land provided for warehousing	144 000
	(c) Greenfield sites provided for use of battalions	72 000
Luena: Eastern region	(a) Office provided for regional headquarters	336 000
	(b) Land provided for warehousing	144 000
	(c) Greenfield sites provided for use of battalions	72 000
Menongue: South-eastern region	(a) Office provided for regional headquarters	336 000
	(b) Land provided for warehousing	144 000
	(c) Greenfield sites provided for use of battalions	72 000
Huambo: Central-eastern region	(a) Office provided for regional headquarters	336 000
	(b) Land provided for warehousing	144 000
	(c) Greenfield sites provided for use of battalions	72 000

<u>Location</u>	<u>Description of facilities provided by the Government</u>	<u>Estimated market value per annum</u>
Lubango: Southern region	(a) Office provided for regional headquarters	336 000
	(b) Land provided for warehousing	144 000
	(c) Greenfield sites provided for use of battalions	<u>72 000</u>
	Estimated total	<u>7 400 400</u>

Annex II

POLICY ON THE COMMERCIAL LEASE/CHARTER OF AIRCRAFT FOR PEACE-KEEPING OPERATIONS

In general terms, block and additional hours are initially determined by a technical estimate of the requirement and refined over time by analysis of the actual utilization rate of the aircraft involved. The optimum ratio can be affected by mission-specific requirements, geography, type of aircraft, weather and other factors.

Block hours

Determining the optimum number of block hours under the base hire cost takes into consideration the mutual cost-effectivity for both the aircraft operator and the United Nations. The block hours must be high enough for operators to justify the permanent basing of an aircraft in the mission area, but, at the same time, from the perspective of the United Nations, low enough to ensure maximum utilization of the hours, taking into account that payment is based on block hours contracted, regardless of whether the hours were actually utilized or not.

Additional hours

Additional hours are also determined on the basis of the same parameters used for block hours. Moreover, while the number of hours should be below the range that would require additional crew and related costs for the operator, consideration is given for unforeseen contingencies that may arise in the operational activities of the mission. Unlike the terms governing block hours, payment for additional hours is made only on the basis of actual hours flown.

Air crew subsistence allowance

Air crew subsistence allowance within the mission area is paid for by the operator and, as part of the total base hire cost, budgetary provision is included under hire/charter costs. However, for air operations outside the mission area, air crew subsistence allowance is paid for by the United Nations and for which provision is made separately in peace-keeping budgets.
